

## **FINANCIAL GUARANTEE INSTRUMENTS**

**The BLM in Nevada accepts the following instruments as financial guarantees for reclamation bonds:**

- 1. Surety bonds - when the surety company is authorized to do business with the United States as approved by the U.S. Treasury Department. A current list of authorized companies is available by calling 202-874-6850 or through the Internet at <http://www.fms.treas.gov/c570/c570.html>. Attachment 2 (form NV 3809-1) contains the surety bond form which must accompany this type of financial guarantee.**
- 2. Cash, certified check, or bank draft (Guaranteed Remittance) - in an amount equal to the required dollar amount of the financial guarantee, to be deposited and maintained in a Federal depository account of the United States Treasury by the BLM. Personal and foreign checks are not accepted.**
- 3. Irrevocable letters of credit - from a bank or financial institution located in the United States. See Attachment 4 for further information.**
- 4. Certificates of Deposit (Time Deposits) - when placed through a bank whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC), or a bank that is a Federal Reserve Branch Bank, and the deposit is not in excess of the maximum insurable amount. See Attachment 4 for further information.**
- 5. Negotiable securities of the United States - having a market value at the time of deposit of not less than the dollar amount required for bonding. See Attachment 5 for further information.**
- 6. Investment-grade rated securities - having a Standard and Poor's rating of AAA or AA or an equivalent rating from a nationally recognized securities rating service.**
- 7. Insurance - when its form and function is such that the funding or enforceable pledges of funding are used to guarantee performance of regulatory obligations in the event of default on such obligations. Insurance must have an A.M. Best rating of "superior" or an equivalent rating from a nationally recognized insurance rating service.**
- 8. State of Nevada Reclamation Bond Pool coverage - when issued under Nevada Administrative Code (NAC) 519A.510 and approved by the State of Nevada, Division of Minerals.**

**The BLM in Nevada accepts any of the bonding instruments listed in numbers 1 through 5 above from a third party with the use of the appropriate bond and rider forms. Attachment 3 ( form NV 3809-2) is the personal bond form which must be accompanied by one of the financial guarantees described in numbers 2 through 5 above.**

**The BLM in Nevada will no longer accept new corporate guarantees that have been approved by the State of Nevada. The corporate guarantees that were in effect on January 20, 2001, will remain in effect, however they cannot be increased. Also, the existing approved corporate guarantees cannot be transferred to another operator or operation.**

### **STATEWIDE AND NATIONWIDE BONDS**

**The surface management regulations at 43 CFR 3809 provide for statewide and nationwide bonds. These bonds can be used to cover all of an operator's notices and plans of operations in one state (statewide bond) or in all states in which the BLM administers lands that are open to the General Mining Laws (nationwide bond).**

**When notices and plans of operations are to be covered by the same statewide/nationwide bond, an operator must submit the surety bond or personal bond and financial instrument to the BLM for processing and acceptance. In Nevada, the BLM Nevada State Office will receive, adjudicate and maintain statewide bonds as well as nationwide bonds it receives. The BLM State Office to which a nationwide bond is submitted will be the management office for BLM.**

### **PHASED OR INCREMENTAL BONDING**

**Upon request by the operator, BLM in Nevada may allow phased or incremental bonding for plans of operations. Some plans can be designed so that operations will occur in discrete "blocks" or operational phases. Bond coverage will be**

**adjusted to cover each phase of an operation as it progresses. In all cases, bond coverage will be required prior to disturbance.**

**Likewise, reclamation can be designed to occur in discrete blocks or phases. An entire site may be reclaimed in phases or an operation may be designed so that**

**reclamation is completed in one area while new disturbance is beginning elsewhere in the same operation. In the latter case, a fixed amount of bond coverage may be "rolled over" from one part of the operation to another.**